

Addendum to Order No. _____ dated _____

APPROVED BY:
Chief Executive Officer
_____ V.V. Popkov

POLICY

On Conflict of Interest

Version 1

Regulatory Documentation Reg. No. RNK-085-2024
dated _____

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1. Purpose

This Policy governs the process of preventing, identifying, and resolving conflicts of interest arising in the management, procurement, production, and sales activities of "R.S.C." LLC.

In accordance with the requirements of Russian and international law, and taking into account international best practices, this Policy defines the key goals and objectives of "R.S.C." LLC regarding the prevention, identification, and resolution of conflict-of-interest situations.

Compliance with the requirements of this Policy is mandatory for all Employees and Management without exception—regardless of the position held—in the course of performing their job duties and/or representing the interests of "R.S.C." LLC in any country worldwide.

2. Reference documents

This Policy refers to the following documents:

- No.273-FZ — Federal Law "On Combating Corruption" dated December 25, 2008.
— The policy of "R.S.C." LLC on Interaction with Counterparties

Note: In the case of an undated reference, the current version of the document, including any possible amendments, applies.

3. Terms and definitions

The following terms and definitions apply to this Policy:

Anti-corruption legislation	— The system of normative legal acts consisting of No. 273-FZ "On Combating Corruption", other federal laws, decrees of the Government of the Russian Federation regulating relations related to combating corruption, preventing and suppressing corruption offenses, including international agreements of the Russian Federation
Affiliates	— Companies or employees capable of influencing the organization's operations and the strategic decisions made by its management.
Conflict of interest, actual conflict of interest	— A situation in which the personal interest (direct or indirect) of an individual affects or may affect the proper, objective, and impartial performance of their official duties (exercise of authority) (Part 1 of Article 10 of Federal Law No. 273-FZ "On Combating Corruption").
Declaration of conflict of interest	— Written notification from "R.S.C." LLC regarding the existence of a conflict of interest or personal interest on the part of the Employee.
Personal interest of the Employee	— The possibility of the Employee—and/or persons closely related to the Employee by blood or marriage (parents, spouses, children, siblings, as well as the siblings, parents, and children of spouses and the spouses of children), or citizens or organizations with whom the Employee and/or such closely related persons have property,

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corporate, or other close relationships—receiving income in the form of money, other property (including property rights), services of a proprietary nature, the results of work performed, or any benefits or advantages (Part 2 of Article 10 of Federal Law No. 273-FZ "On Combating Corruption").

Potential conflict of interest	— A situation in which specific actions taken by the Employee, persons associated with the Employee, the Employer, or organizations with which the Employee interacts would in the short term result in an actual conflict of interest.
Combating corruption	— Activities of officials and structural units of "R.S.C." LLC within the scope of their authority aimed at: - corruption prevention, including the identification and subsequent elimination of the causes of corruption (corruption prevention); - detection, prevention, suppression, solving, and investigation of corruption-related offenses (combating corruption); - minimizing and/or eliminating the consequences of corruption-related offenses.
Employee Management	— An individual in an employment relationship with "R.S.C." LLC — The Board of Directors of "R.S.C." LLC, the Chief Executive Officer, the Managing Director of the "R.S.C." Complex

4. Abbreviations

The following abbreviations are used in this document:

CDRTI	— Corporate database of regulatory and technical information
"R.S.C." LLC	— Limited Liability Company "Russian Stainless Company"
ESD	— Economic Security Department
SU	— Structural unit
ESS	— Economic Security Services of "R.S.C." LLC
EDMS	— "WSS Docs" Electronic Document Management System
LD	— Legal Department

5. General

- 5.1 "R.S.C." LLC maintains a firm stance of zero tolerance toward violations of anti-corruption legislation in its operations.
- 5.2 This Policy has been developed in accordance with current Russian Federation legislation on combating corruption, law enforcement practice regarding anti-corruption laws, and international standards, as well as based on the principles and values enshrined in the The policy of "R.S.C." LLC on Interaction with Counterparties, which enable "R.S.C." LLC employees to assess each situation individually and make the right decision.
- 5.3 Compliance with anti-corruption legislation by Employees and Management, along with lawful, honest, and conscientious conduct, constitute fundamental principles for the long-term successful development of "R.S.C." LLC and are the key to an impeccable market reputation.
- 5.4 "R.S.C." LLC Management must set the standard of conduct and, through personal example, foster among Employees an understanding of the unacceptability of—and a rejection of—actions that could lead to violations of anti-corruption legislation. Commitment to complying with anti-corruption legislation and the unacceptability of violating it are integral parts of the "R.S.C." LLC corporate culture.
- 5.5 The fundamental principles and requirements of this Policy apply to "R.S.C." LLC counterparties—including suppliers, agents, intermediaries, consultants, representatives, and other parties—in cases where the relevant obligations are stipulated in contracts with them or in their internal documents, or where such obligations arise directly from applicable anti-corruption legislation.
- 5.6 When entering into contracts, "R.S.C." LLC invites counterparties—including suppliers, agents, intermediaries, consultants, representatives, and other parties—to comply with the requirements of this Regulation, the content and requirements of which are available for review on the official website of "R.S.C." LLC at www.rustainless.ru.

6. Execution procedure

6.1 Goals and objectives.

- 6.1.1 In the context of anti-corruption legislation regarding conflicts of interest, "R.S.C." LLC sets the following key objectives:
 - enhancing operational efficiency by mitigating the impact of corruption risks on business processes and the achievement of operational and strategic goals through the implementation of effective control procedures for managing conflicts of interest;;
 - establishing a unified approach to preventing conflict-of-interest situations;
 - ensuring that management and affiliated parties are fully informed of identified instances of actual conflicts of interest;
 - ensuring employee awareness regarding general requirements for preventing conflicts of interest and the consequences of violating them.
- 6.1.2 The Policy addresses the following goals:
 - establishing principles and rules for managing conflict-of-interest situations;
 - applying measures of liability for violations of the requirements of this Policy;
 - implementing procedures aimed at improving conflict-of-interest management based on the principles of openness, transparency, and predictability;
 - improving processes for the prompt identification, assessment, prevention, and mitigation of corruption risks arising from actualized conflicts of interest, as well as their resolution and the remediation of their consequences;

- implementing a set of measures to prevent conflict-of-interest situations during interactions between the Economic Security Service, the HR Directorate, and other structural units;
- limiting the influence of private interests and the personal vested interests of Employees on the work functions they perform and the business decisions they make.

6.2 Conflict of Interest Management Body and Key Principles of Conflict of Interest Management

- 6.2.1 The body specifically authorized to review situations involving conflicts of interest is the Compliance Risk Regulation Committee (hereinafter referred to as the "Committee"), which interacts with corresponding bodies of affiliated entities.
- 6.2.2 The composition of the Committee (including the secretary) is determined by an order of the Chief Executive Officer/Managing Director of "R.S.C." Complex.
- 6.2.2.1 The Committee Chairperson appoints a deputy from among the Committee members. In the absence of the Chairperson, the deputy is responsible for organizing and coordinating the Committee's work.
- 6.2.2.2 By decision of the Committee, other officials of "R.S.C." LLC, as well as third-party organizations and specialists, may be invited to participate in its activities as experts.
- 6.2.2.3 The early termination of the duties of Committee members occurs:
- based on a written request from the Committee member;
 - based on an order issued by the Chief Executive Officer/Managing Director of the "R.S.C." Complex to remove the Committee member from the Committee;
 - due to the employee's termination of employment with "R.S.C." LLC.
- 6.2.3 The management of conflicts of interest at "R.S.C." LLC is based on the following principles:
- mandatory disclosure of information regarding actual or potential conflicts of interest;
 - individual review and assessment of reputational risks to "R.S.C." LLC upon the identification and resolution of each conflict of interest;
 - confidentiality of the conflict of interest disclosure and resolution processes;
 - maintaining a balance between the interests of "R.S.C." LLC and the Employee when resolving a conflict of interest;
 - protection of the Employee against retaliation for reporting a conflict of interest that was timely disclosed by the Employee and resolved (or prevented) by "R.S.C." LLC.

6.3 Obligations of Employees regarding the declaration and resolution of conflicts of interest.

- 6.3.1 When making decisions on business matters and performing their employment duties, Employees must be guided by the legislation of the Russian Federation, internal regulations, the interests of "R.S.C." LLC, and professional ethics—without regard for their own personal interests or the interests of their relatives and friends.
- 6.3.2 Assess every situation involving a potential conflict of interest and declare any actual or potential conflict of interest that arises.
- 6.3.3 Report to the Committee (Clause [6.2.1](#)) any conflict of interest (specifying the parties involved and the nature of the conflict: e.g., secondary employment, running a personal business, other work for personal gain or in the interest of third parties, etc.) that could conflict with the interests of "R.S.C." LLC or influence the performance of employment functions and business decisions. Pending receipt of recommendations, avoid any relationships or actions that might interfere with making objective and impartial decisions.

- 6.3.4 Avoid (where possible) situations and circumstances that could lead to a conflict of interest.
- 6.3.5 Refrain from using the material, informational, or other resources of "R.S.C." LLC for personal gain.
- 6.3.6 Refrain from any advertising (direct or indirect) of their own business and/or third-party organizations using the resources of "R.S.C." LLC or their official position in a manner that could violate the rights and legitimate interests of "R.S.C." LLC.
- 6.3.7 Cooperate in the resolution of any conflict of interest that arises.
- 6.3.8 Refrain from disclosing information constituting a trade secret, as well as trade secrets belonging to clients, partners, or affiliates of "R.S.C." LLC with whom business relationships exist.

6.4 Responsibilities of the Committee for the Prevention, Detection, and Resolution of Conflicts of Interest.

- 6.4.1 To develop necessary measures for the prevention, detection, and resolution of conflicts of interest and to incorporate them into internal regulatory documents.
- 6.4.2 To timely detect, prevent, and resolve conflicts of interest.
- 6.4.3 To review each conflict of interest while balancing the interests of "R.S.C." LLC and the Employee.
- 6.4.4 To inform Employees about the nature of conflicts of interest and their prevention, detection, and resolution.
- 6.4.5 To compile information on detected and prevented conflicts of interest.
- 6.4.6 To continuously analyze changes in Russian Federation legislation regarding the detection and prevention of conflicts of interest, as well as international best practices and legislation, for the purpose of detecting and preventing conflicts of interest.

6.5 Declaration of conflicts of interest by the Employee and the procedure for their resolution.

- 6.5.1 To declare a conflict of interest, Employees must disclose:
 - information regarding a conflict of interest upon hiring;
 - information regarding a conflict of interest upon transfer to another position;
 - information as conflict-of-interest situations arise (as soon as the Employee becomes aware of them);
 - information upon the Committee's request.

Disclosure of information regarding a conflict of interest shall be made in writing.

Initial disclosure of a conflict of interest may be made orally, provided it is subsequently documented in writing.

- 6.5.2 The Committee undertakes to review the submitted information and resolve the conflict of interest on a confidential basis.
- 6.5.3 Information received must be thoroughly verified by the Economic Security Service (ESS) to assess the severity of risks arising for "R.S.C." LLC and to select the most appropriate method for resolving the conflict of interest.

It should be noted that, following this assessment, "R.S.C." LLC may conclude that the situation reported by the Employee does not constitute a conflict of interest and, consequently, does not require special resolution measures. In such a case, the ESS official authorized by the Security Director (Head of ESS) or the Deputy Head of Service (Head of the Economic Security Department) to evaluate the information provided by the Employee shall notify the Employee in writing (using any available method that provides proof of receipt, such as email, registered mail with return receipt, hand delivery, etc.) that the reported situation does not constitute a conflict of interest. It should be noted that, following this assessment, "R.S.C." LLC may conclude that the situation reported by the Employee does not constitute a conflict of interest and, consequently, does not require special resolution measures. In such a case, the ESS

official authorized by the Security Director (Head of ESS) or the Deputy Head of Service (Head of the Economic Security Department) to evaluate the information provided by the Employee shall notify the Employee in writing (using any available method that provides proof of receipt, such as email, registered mail with return receipt, hand delivery, etc.) that the reported situation does not constitute a conflict of interest.

6.5.4 If a conflict of interest is found to exist, the following measures may be taken to resolve it:

- limiting the Employee's access to specific information that may affect the Employee's personal interests, without altering the Employee's job functions;
- the Employee's voluntary recusal from participating in discussions and decision-making processes regarding matters subject to, or potentially affected by, the conflict of interest;
- transferring the Employee, with their consent, to a position involving duties unrelated to the conflict of interest;
- the Employee's voluntary relinquishment of the personal interest that gives rise to the conflict with the interests of "R.S.C." LLC;
- holding the employee liable for a disciplinary offense—that is, for the failure to perform, or improper performance of, assigned job duties due to the employee's own fault;
- dismissal of the Employee.

The above list of measures for resolving a conflict of interest is not exhaustive. In each specific case, alternative resolution methods may be determined by agreement between the Committee and the Employee who disclosed the conflict of interest.

6.5.5 When resolving a conflict of interest, the measure selected shall take into account the interests of both the Employee and "R.S.C." LLC. Decisions regarding the specific method of resolving a conflict of interest shall consider the significance of the Employee's personal interest and the likelihood that such personal interest might be pursued to the detriment of the interests of "R.S.C." LLC.

6.6 Persons responsible for receiving and reviewing information regarding a potential or actual conflict of interest.

6.6.1 The officials responsible for receiving information regarding a potential or actual conflict of interest are:

- ESS personnel;
- members of the Committee responsible for anti-corruption measures at "R.S.C." LLC.

6.6.2 Information received by the responsible persons is promptly reported to the General Director and the Managing Director of the "R.S.C." Complex, who instruct the Committee to review it.

Timeframe: 5 working days from the moment the information regarding the conflict of interest is received.

6.6.3 The received information is reviewed by the Compliance Risk Regulation Committee.

Timeframe: no later than 14 working days from the moment the relevant instruction is received.

The Employee who submitted the information regarding the potential or actual conflict of interest may participate in the Committee meeting at their own discretion.

6.6.4 The information received by the Committee undergoes a comprehensive review, resulting in a decision on how to resolve the conflict of interest or a determination that no conflict exists. The Committee's decision is documented in minutes (form: [ND RNK-085/1F](#)) and reported to Management. Committee decisions are advisory in nature.

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6.6.5 Management makes the final decision regarding the method of resolving an actual conflict of interest.

6.7 **Reporting a potential or identified conflict of interest.**

6.7.1 If an Employee is unsure whether a particular situation constitutes a conflict of interest, they may contact the ESS directly for clarification.

6.7.2 An Employee may report information regarding a potential or actual conflict of interest using the following channels:

- by telephone: 8 (8443) 21-50-68, ext. 4-98-66, on business days from 8:00 to 16:45 Moscow time;
- by sending an email to: info@rustainless.com (the message may be sent from any email account);
- by mail to the address: Office 34, 2nd Floor, 6 Metallurgov Ave., Volzhsky, Volgograd Region, Russia, 404119.

6.8 **Communication.**

This Policy is brought to the attention of all interested parties and Employees:

- by posting this document on the official website of "R.S.C." LLC and in the CDRTI system;
- by requiring newly hired Employees to review and sign an acknowledgment of this document prior to the signing of their employment contract;

7. Responsibility and Control

7.1 Failure to comply with the requirements of this Policy may result in the Employee being held liable—whether disciplinary, financial, or otherwise—in accordance with the legislation of the Russian Federation.

7.2 Responsibility for monitoring compliance with the requirements of this Policy is assigned to the Security Director / Head of the Economic Security Department.

8. Appendices:

None.

[ND PNK-085/1F](#)

Minutes of the Compliance Risk Regulation Committee Meeting

Developed by: ESS

O.L.Sopot

All electronic signatures for approval have been obtained in the "WSS Docs" EDMS.